FUTURES

Two weeks ended Feb. 3, 1984

	High	Low	Close	Previous Week	Open* Interest	Contract High	Contract Low
LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's; $ per 1,000 bd. ft.							
March '84	190.60	174.30	188.80	177.20	3,890	240.50	170.60
May	198.60	185.00	196.60	188.50	2,203	245.50	184.00
July	206.70	195.50	203.70	197.70	1,149	252.50	193.50
Sept.	209.80	200.20	204.00	202.50	702	236.00	195.50
Nov.	208.90	203.00	205.50	204.80	465	228.80	196.00
Jan. '85	214.50	210.00	210.90	212.60	99	221.30	204.00
March	218.70	214.50	215.50	217.50	22	220.00	214.50
PLYWOOD (CBT)—76,032 sq. ft. ½-in. ext. 4/5-ply; $ per 1,000 sq. ft.							
March '84	202.00	191.80	201.50	193.90	382	225.00	183.00
May	204.70	195.30	203.70	197.00	107	208.50	197.50
July	207.50	198.00	206.80	200.00	57	210.00	190.50
Sept.	207.70	201.50	207.70	202.50	10	212.50	199.00
Nov.	Not	Trading					

Total Contract Vol. (Through 2/3): 18,346 — **Previous Two Weeks: 19,930**
Total Open Interest (As of 2/3): 8,576 — **Previous Week: 8,364**
Cash Price: $197.96 — **Previous Week: $164.64** — **Year Ago: $171.50**

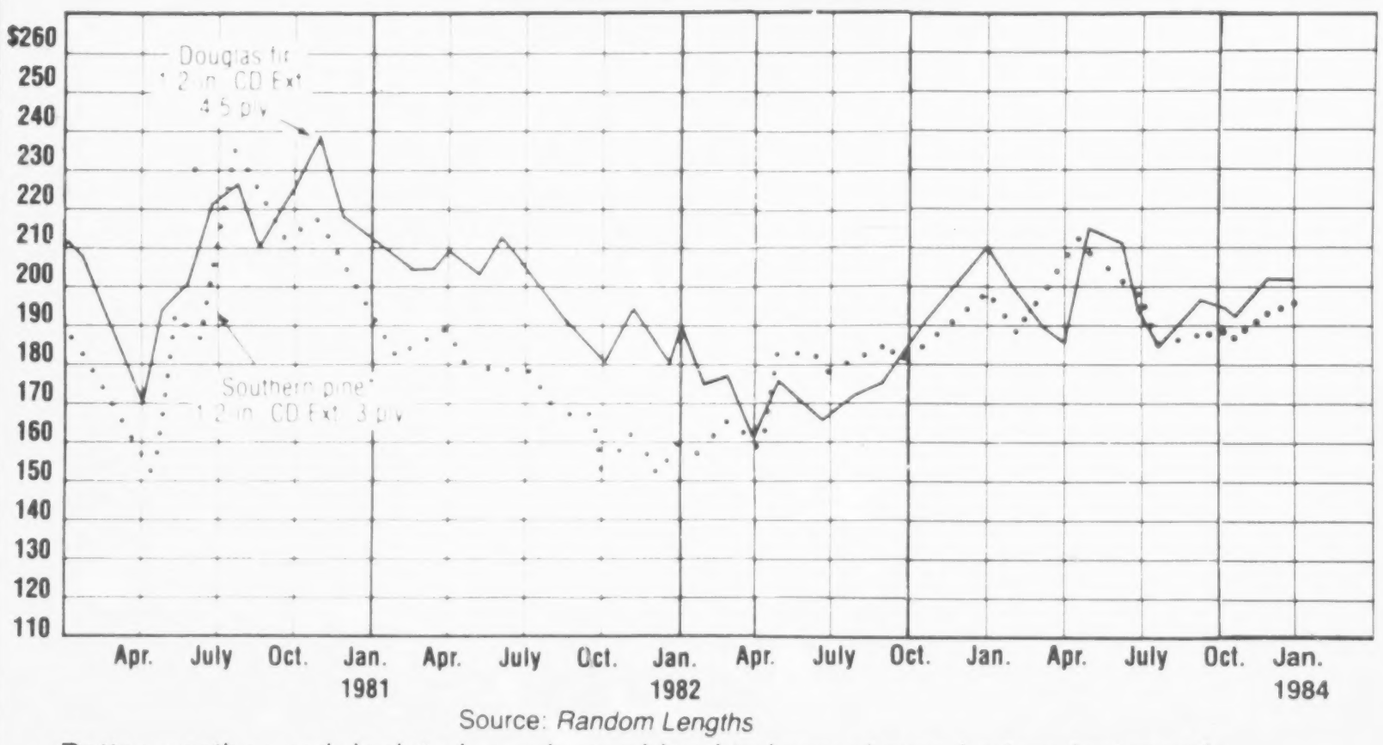
Total Contract Vol. (Through 2/3): 512 — **Previous Two Weeks: 499**
Total Open Interest (As of 2/3): 556 — **Previous Week: 583**
Cash Price: $182.28 — **Previous Week: $191.10** — **Year Ago: $195.02**

COMMODITY RESEARCH BUREAU INDEX:	This Week	Previous Week	Year Ago
	274.8	275.2	242.0

CME—Chicago Mercantile Exchange — CBT—Chicago Board of Trade
*Figures for Thursday, 2/3.
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

Commodity close-up: Western & Southern Plywood

Average monthly mill prices



Source: *Random Lengths*

Better weather and depleted supply combined to buoy plywood prices last month.

Douglas fir ½-in. CD ext. 4/5 ply panels sold for about $202 per thousand square feet while Southern pine ½-in. CD ext. 3 ply prices rose to $195 per thousand square feet, according to Random Lengths.

LUMBER REPORT

Lumber demand, consumption to remain stable throughout '84

By Hawk Furman
Special to NHCN

The consensus from economists, mill operators, wholesalers, retailers and builders is that the lumber demand and consumption in 1984 will be about where it was in 1983. The prognosticators generally see stable interest rates, a low inflation rate and moderate labor costs.

A majority of forecasters see lumber and panelboard prices trading in a narrow range because of adequate production to meet demands. This may be so, but there could be a few surprises that lead to escalating softwood lumber and panelboard prices. The following are some factors that could disrupt the equilibrium in supply and demand.

Robert Spiller of the Mortgage Bankers Assn. sees a softening of mortgage rates of at least a half a point. Quinn Mill, a Harvard Business School professor, predicts mortgage rates will fall one point in 1984. It follows that at lower interest rates there are more qualified buyers for homes and therefore more of a demand for housing. According to Advance Mortgage Corporation, the drop in mortgage rates from 1982 to 1983 levels allowed an additional nine million more households to qualify to buy a new home. Creative financing continues to help more people afford homes.

'With any break in the strength of the United States dollar, there could be a significant increase in lumber shipped to foreign markets.'

—Hawk Furman

The U.S. Department of Commerce predicts a 6% jump in single-family housing starts. The National Assn. of Home Builders predicts a 7% increase in 1984 for single family units. A single family unit consumes considerably more softwood than a multifamily unit. The first phase of the housing boom is behind us. Traditionally it is a stage where first-time buyers get on board with their small starter home. The second phase usually finds people already owning a house moving up to a larger home. The larger the house, the more wood is consumed.

Nonresidential construction is forecasted to be stronger in 1984 than in 1983. With only 42% of all lumber consumed in new residential construction, there is a lot of lumber used in commercial and industrial applications. The usually optimistic Associated General Contractors of America peg the increase in construction in 1984 at 24% above 1983.

Exports of softwood lumber from North America can only go up in 1984. With any break in the strength of the United States dollar, there could be a significant increase in lumber shipped to foreign markets. Already, orders for Japan and China are better than in 1983.

There will be pressure on the cost of timber in the Pacific Northwest. The United States Government spent $234 million more to provide roads and administer forests than they received in timber receipts for 1983. Feb. 15, 1984, was the date for Western mills to accept the five-year deferment plan on their timber contracts or default on their obligations. Several marginal mills, because of their contracts, will be forced to close down no matter what opinion they choose.

Supply disruptions are very possible this spring. Currently, two British Columbia pulp and paper unions have not settled on a new contract. There is a threat of a lockout by mill management or a strike by workers that could close down 20 pulp mills. This will directly impact coastal lumber production. Currently, in eastern Canada, one mill is on strike and eight others are negotiating labor contracts. A strike at any of these mills is possible.

Hawk Furman is president & chief operating officer of Furman Lumber, Boston.

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See Pages 28 & 29

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National Home Center Show Issue

National Home Center News®

Vol. 10 No. 6 The newspaper for retailers serving homeowners and contractors. Published by Lebhar-Friedman In March 12, 1984

Hechinger, K mart form whse chain

Wickes, creditors reach agreement

Trade payoff: notes, stock $151 per $1,000 claimed

By Brad Altman
NHCN West Coast editor

LOS ANGELES—Wickes Cos. is likely to emerge from court protection under Chapter 11 of Federal bankruptcy law by late October now that its main creditors have agreed to a master plan of reorganization, company officials say.

The retailing parent of 225-unit Wickes Lumber and 56-unit Builders Emporium plans to eliminate its remaining $1.21 billion unsecured debt by paying $289 million in cash to creditors along with issuing $524.9 million in short- and long-term notes and more than 80 million shares of common stock valued at about $400 million.

The once-deeply troubled Wickes, which filed for protection from creditor lawsuits in April 1982, shaved its original $1.6 billion unsecured indebtedness by some $350 million late last year following court confirmation and creditors' acceptance of a reorganization plan covering credit corps.

Now, Santa Monica, Calif.-headquartered Wickes is preparing to file a plan sometime this month with the U.S. District Court based here that would settle its major claims involving its two principal operating subsidiaries, Wickes Corp. and Gamble-Skogmo Inc.

Based on the plan, Wickes Lumber and Builders Emporium trade creditors will be repaid, as follows for every $1,000 claimed: $151 in cash; $130 in 12% two-year notes; $358 in 12% nine-year notes, and 86 shares of the company's stock as presently constituted, Wickes executive vp Wilhelm Mallory told *NHCN*.

He noted that Wickes Lumber and BE fall under the Wickes Corp. creditors committee, which also includes as principal members Sequoia Supply and Wickes Furniture. The actual distribution to these trade creditors may vary by as much as 10% as a result of final claims reconciliation and resolution of unresolved issues.

Jeffrey Chanin, executive vp responsible for Wickes' bankruptcy reorganization, told *NHCN* in an interview that there are still some hurdles before Wickes emerges from the

(Continued on page 186)

Formation of The Home Team, K mart and Hechinger's joint warehouse home center venture was announced last month in New York. At left is Hechinger vp finance Stephen Bachand, ceo of the new company. K mart chairman Bernard Fauber is flanked by Hechinger chairman Richard England, left, and president John Hechinger.

3 stores set for Chicago

By Kenneth Schept
NHCN executive editor

NEW YORK—Hechinger and K mart have together formed a new company to open warehouse-type home centers nationally under the name The Home Team.

The first three stores, about 80,000 sq. ft. each, will open this spring in suburban Chicago, two of them in former K mart strip center sites in Elhurst and Des Plaines and a third in an Oaklawn ex-Woolco.

The new company will be headed by Stephen Bachand, Hechinger senior vp finance. Neither company would reveal the financing behind the venture except to say that Hechinger and K mart shared initial costs equally.

The Home Team expects to combine K mart's national marketing expertise, real estate and personnel reservoir with Hechinger's home center acumen to quickly build a countrywide chain that will intro-

(Continued on page 185)

Forest City to change Chicago units to whses

By David Morgan
NHCN field editor

CHICAGO—Forest City will convert its three stores here into retail warehouse units over the next several months, as part of an experiment that reportedly could affect the entire chain eventually.

The company also is said to be planning at least two new stores for the market, both of which would follow the warehouse format. Moreover, long-term plans reportedly call for maximizing store penetration here through the development of eight to 10 new warehouse stores.

The Cleveland chain's move into warehouse retailing comes at a time of unprecedented change for the Chicago home center market. Officials from K mart and the Hechinger Co. of Landover, Md., announced plans last month for the joint development of three 80,000-sq.-ft. home center warehouse stores in the area this summer (see story, Page 1). Moreover, Service Merchandise Co. said it would open a 70,000-sq.-ft. HomeOwners Warehouse store in Burbank, Ill., as well as a 54,000-sq.-ft. catalog showroom at another Chicago location.

Forest City was still renovating its suburban stores in Burbank, Lombard and Mt. Prospect, Ill., late last month, expanding sales floors into former storage rooms and adding pallet and cantilever racks to the units' interiors. Local observers said the Burbank store, with an estimated 60,000 sq. ft. of retail space, could have been ready to operate as a warehouse store before March, leaving the remaining units to be completed by the fall.

According to some of the chain's vendors, Forest City officials expect to transplant the new warehouse format to other markets if it proves successful in Chicago.

The company itself con-

(Continued on page 185)

NEWSBREAKS

MOORE'S LAUNCHES FIRST WAREHOUSE. Moore's was scheduled to open a warehouse-style home center in Charleston, W. Va. late last month.

HOW COLUMBUS BOUND. Homeowner's Warehouse will open two 70,000-plus-sq.-ft. units in Columbus, Ohio, this summer, the first penetration into the Buckeye State for the chain.

INSIDE:

Revelstoke, the Canadian home center chain, has had only "partial" success with its new warehouse-style store ..... Page 2

The Steiner family, former owners of the Lumberjack chain, plan to found a new home center chain in Reno, Nev. ..... Page 11

Sutherland Lumber is planning to open hardware outlets ..... Page 11

Despite their recent lackluster performance, Wall Street analyst Barbara Alexander expects an upward trend for home center stocks .... Page 23

National Home Center Show schedule ..... Pp. 29-32

Two former students have transformed their old high school into the town's home center ..... Page 50

Builder Marts of America has unwrapped its new home package program ..... Page 94

Why the bountiful predictions for record housing starts throughout the 1980's will likely fall short of expectations. Page 45

Builder Marts of America's Richard Ingram: 'When we were small, growth was a goal; now it's a result.' Page 73

Homecrafters is simultaneously opening warehouse stores and reformatting its traditional units. Page 160

NHCNews Briefs

Industry Update

Evans to open more whses

VENTURA, Calif.—Grossman's was scheduled to open a warehouse-style home center in Long Beach, Calif., this month.

Also, Moore's, another Evan's chain was scheduled to open its first warehouse-style home center late last month in Charleston, W. Va.

The California store will feature a drive-thru lumber concept in addition to product categories such as housewares and furniture not ordinarily associated with home center retailing.

Earlier this year Jack Kopkin, formerly senior vp and merchandise manager for Lindsley, was transferred to the same slot at Grossman's warehouse division headquartered here.

Tom Seefert, formerly assistant general merchandise manager at Lindsley, was promoted to vp and general merchandise manager for that company upon the departure of Kopkin.

Triangle plans fourth unit

ALLENTOWN, Pa.—Triangle Building Centers of Quakertown, Pa., says it will open a 72,000-sq.-ft. store here this summer, one of seven planned for the Northeast region over the next three years.

Thomas Ostrander, Triangle's retail division manager, said the chain's fourth unit will open next door to a Moore's store on the West Side of the city. "And that will round out our market in the Allentown/Bethlehem/Easton area," he said.

The chain opened a 60,000-sq.-ft. store last September in Wilkes-Barre, Pa., just a year after launching a 42,000-sq.-ft. unit 70 miles to the south, in Bethlehem, Pa.

The Wilkes-Barre unit, which is expected to generate $8.4 million in its first year of operation, recently was fitted with cantilever and H-frame racks for lumber and commodity merchandise. Ostrander said Triangle officials have yet to settle on an interior design for the Allentown unit.

New Payless features high end

CINCINNATI—Payless Cashways will open its first two stores here on March 1, and the 37,500-sq.-ft. prototypes will feature more high-end merchandise and more stylish displays than any of its other 121 units.

"In the past two years I've been with the chain, we've changed our prototype three times, and everytime we open a new round of stores, we make refinements," said vp-merchandising John Breedlove. "This year, we're paying more attention to how products are displayed."

The Cincinnati units—two of six the chain's planned for the market this year—will prominently display a $2,000 bath vignette and 12 other "mini-vignettes" in its bath department; a revamped ceiling fan display will show 30 sku's; wallpaper will be displayed with kitchen cabinets for the first time, and almost all of the units' departments will have upgraded merchandise and fixtures.

"We are upgrading our presentation to conform with our trending toward higher-end products," said director of display merchandising Brad Bright.

Breedlove also revealed that Payless continues to have difficulty getting all the merchandise it wants on its stores' showroom, and indicated that future expansion would include building even larger stores.

Evans spinoff passes a hurdle; trade worries over late payments

By John Caulfield
NHCN senior editor and
David Morgan
NHCN field editor

BRAINTREE, Mass.—Evans Products may be one step closer to spinning off its retail group, having recently hurdled a major stumbling block with its bank creditors.

Company insiders told *NHCN* that the consortium of banks to which Evans owes $475 million in secured debt have agreed not to hold the assets of the company's retail group as collateral for the loan.

Security analysts claim that the current assets from Evans' retail division comprise the bulk of the corporation's assets, which were reported in fiscal 1982 to be $369.4 million.

However, company officials and those familiar with the company said it would be virtually impossible for Evans to break off the retail group as a publicly held subsidiary in time to have any effect on its ability to pay the $60 million debt payment due its bank creditors on March 31.

And even as it has become more likely that the corporation will spin off the 345-unit, $900 million retail group, just when it will happen could be determined. At least two unsuccessful leveraged buyout attempts were made over the past nine months for the group by investors lead by retail group president Mike Grossman. Grossman declined to discuss the disposition of the possible spin off with *NHCN*.

Industry officials have been anxious to find out what Victor Posner, has in store for the retail group ever since his Miami-based company, Sharon Steel, acquired 43%, a majority repre-

(Continued on page 186)

Canada's first try at warehouses seen as only partially successful

CALGARY, Alberta—After six month's operation, the first experiment with warehouse retailing by a Canadian home center chain has been rated only a partial success by the company's president.

Steele Curry said that Revelstoke Cos.' 30,000-sq.-ft. "Superstore," which was converted last fall from a 10-year-old unit in this market's Eastport section, has met the chain's sales expectations, but only about 70% of its merchandising and marketing goals.

He explained that, because Western Canada's economy was still flagging, and because adjustments still need to be made in the store's display presentation, it was too early to tell whether the concept would be expanded to any of Revelstoke's other 79 units this year.

"We're operating in a bear pit right now, and Calgary is the country's most depressed market," Curry said. "In addition, competition is very stiff here. We don't expect the economy to improve until the second half of the year, at the earliest, but we won't be satisfied until the new store is up to 100%."

Curry said the decision to reformat the Eastport store was made after two competitors—HomeTown and Totem—opened up units in the market, exacerbating an already stiffly competitive situation.

Last September, Revelstoke officials tore down the wall separating the Eastport unit's selling floor from its warehouse (which Curry said took up one-third of the building), painted the interior and exterior of the unit and brought in 10-ft. and 12-ft. warehouse racks. Curry said the renovation cost "a bit under $500,000. We went quite

(Continued on page 186)

Home center show issue highlights

Housing

Home construction in the 1980's will fall short of expectations due to changes in the way Americans are choosing, and in many instances being forced, to live. This and other aspects of the future housing market are examined in an NHCN *news analysis pp. 45-48*

Canadian home center market

Canadian home center executives are expressing cautious optimism about the growth potential of their companies in what is shaping up to be an economically stronger 1984 for Canada. Evidence of the stronger economic conditions may be seen in Beaver Lumber's stepped up efforts to recruit new store managers to become franchisees of its smaller, rural units . . . . . pp. 152-156

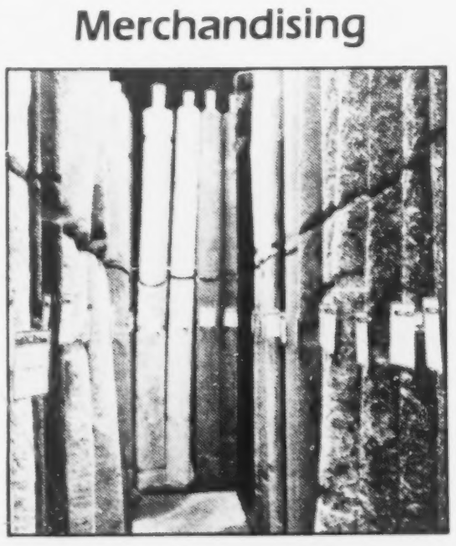
Trademark counterfeiting

United States suppliers are more aggressively seeking whatever means are at their disposal—including lawsuits, legislation, seizure of products at ports of entry, inspection of merchandise before it leaves foreign countries of origin and even raiding overseas manufacturers—to protect the "intellectual property" rights of their goods covering trademarks, copyrights and patents . . . . . pp. 78-88

Warehouse store update

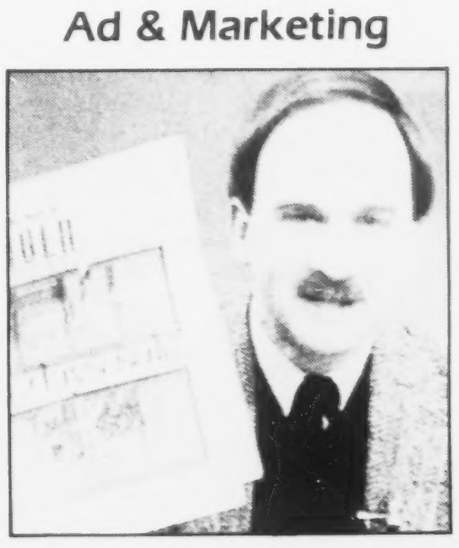
The home center industry's romance with the warehouse store continues. The Texas-based Home-Pro is planning a blitz of the Houston market with six new stores by the spring of 1985, and Homecrafters has recently opened its first units. NHCN *takes the first in-depth look at Homecrafters, the most recent entry into the warehouse field. . . . pp. 160-167*

Merchandising



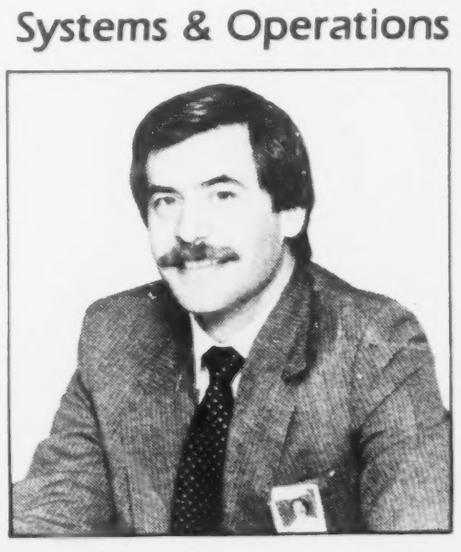
Lowe's has expanded its carpet selection at its new Mauldin, S.C., unit . . . . . p. 55
Stambaugh-Thompson has hired an outside market research firm to evaluate the chain's strengths and weaknesses . . . . . p. 58
Lloyd Lumber's name change to Lloyd Home and Building Centers has seen a new emphasis placed on both consumer and contractor business . . . . . p. 61

Ad & Marketing



A snow storm in Washington prevented Hechinger's Sunday supplement from being delivered and a local TV commentator was heartbroken . . . . p. 122
Ken and Gerry Boschwitz are stalking a No. 1 image for Plywood Minnesota with low-cost, high-profile television commercials . . . . . p. 107
Menard's print and television advertising campaign has had a strong impact on the Milwaukee home center market . . . p. 109

Systems & Operations



John D. Phillips, loss prevention director of Wickes, expressed pleasure at the formation of the Home Center Loss Prevention Council, an effort by eight home center chains to cut shrinkage . . . . . p. 147
Extended hours at Star Lumber have helped boost sales p.148
O'Malley Lumber has installed a $120,000 data processing system as the first step in a long-range plan to computerize all its 23 stores . . . . . p. 149

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Vol. 10, No. 6 March 12, 1984

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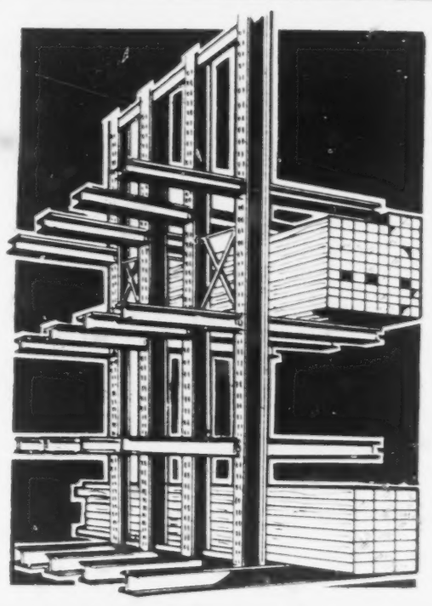

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January '84 housing starts climb to highest monthly total in 5 years

NATIONAL REPORT—Housing starts in January reached their highest monthly level in five years. Total seasonally adjusted starts rose to 1.92 million units, up 15% from the previous month.

Single family housing starts were a major contributing factor rising to 1.24 million units, seasonally adjusted, nearly 13% higher than December's figures.

Total building permits, an indicator of future housing activity, rose by 14.4% over December, to a seasonally adjusted level of 1.77 million units. This was an increase of 22.5% over January 1983.

Single family building permits were also strong rising to 976,000 units an increase of 12.7% over January 1983.

Three regions, North Central, West and Northeast all experienced great month-to-month increases in January housing starts reversing their December decline.

Seasonally adjusted starts for the North Central region reached their highest levels since December 1979 with 303,000 units, 52% above December's figures. The West also reached record levels with 531,000, a 46.3% increase over December and the highest since September 1979. The Northeast was up 29% from December to 189,000 units.

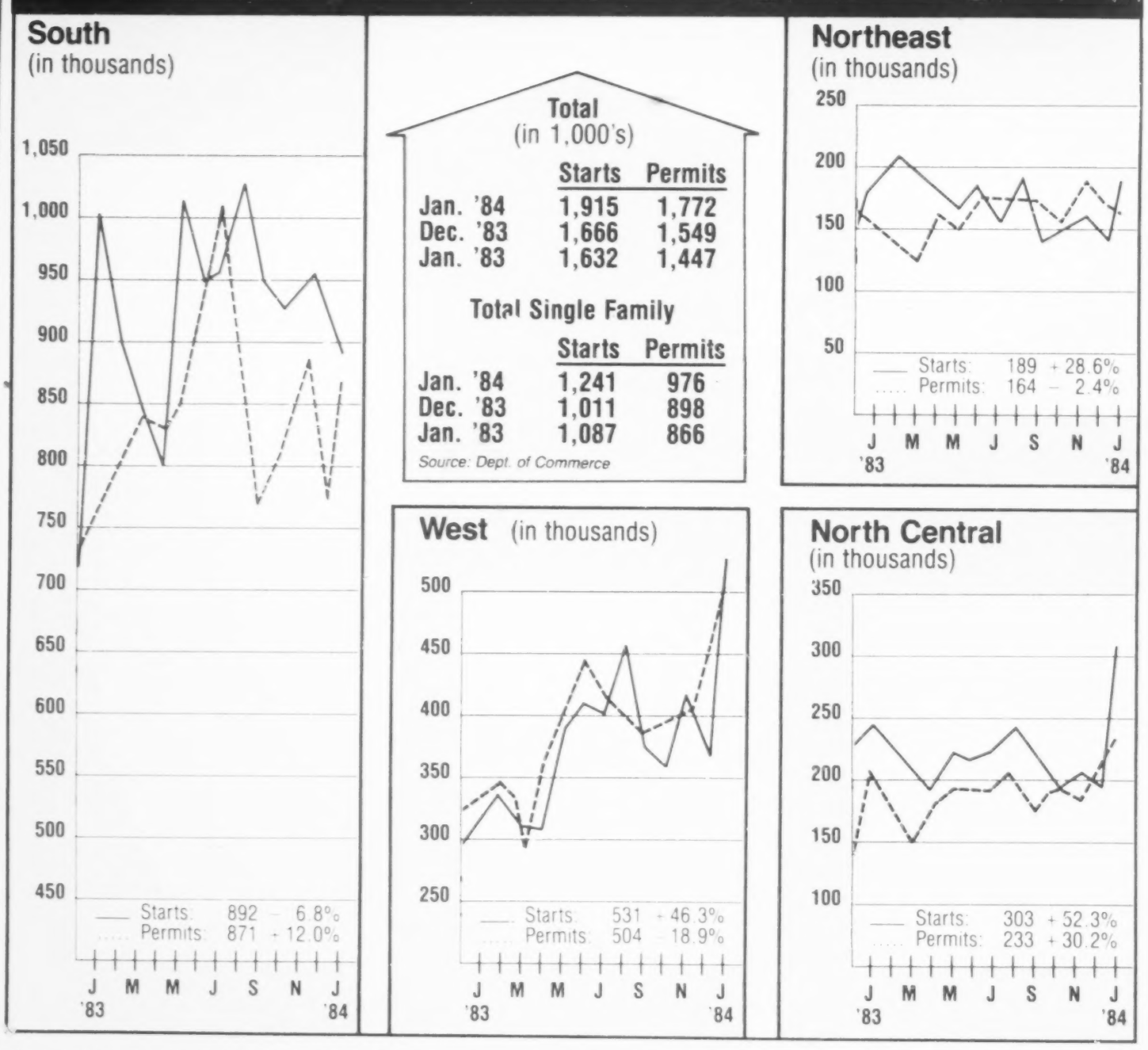
There was also a record increase in building permits in the West and North Central region. The West had 504,000 units, the highest since May 1979 and the North Central region had 233,000 units, the highest since October 1980.

Pete Herder, president of the National Association of Home Builders attributed the high level of new starts to near-record new home sales, a rise in resale housing and stable mortgage interest rates. Also, unusually good weather in California was helping encourage new building activity in the West.

Clarification

A chart on housing appearing on page 1 of the Feb. 13 issue stated $142 billion was spent on new home construction in 1983. The figure, from the National Assn. of Home Builders, reflected the collective sum homeowners spent on newly built homes, including builder marketing costs and profit. Actual expenditures by builders for construction materials came to $70.9 billion, according to the Department of Commerce.

January home-building activity



January's seasonally adjusted total housing starts rose to their highest level since December 1978 with 1.92 million units, an increase of 14.9% over the previous month. Single family starts were strong, up 23% to a rate of 1.24 million, seasonally adjusted. Both housing starts and building permits increased dramatically in the North Central and West regions reversing December's downward trend.

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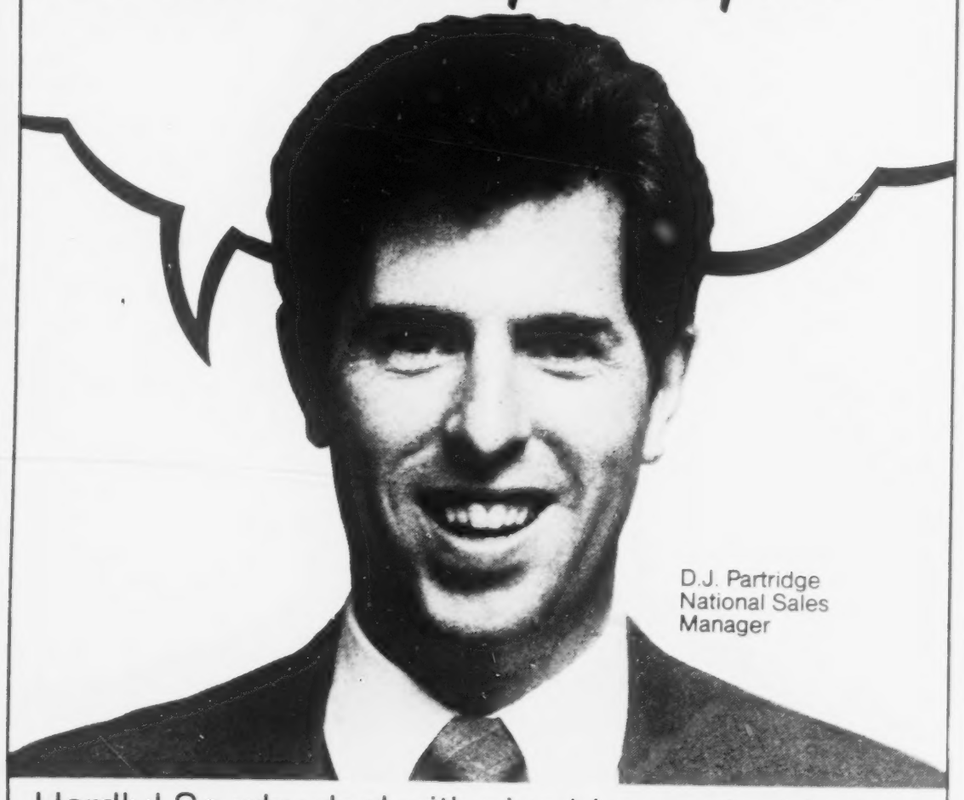

D.J. Partridge
National Sales Manager

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FINANCIAL NEWS

SALES & EARNINGS

Company	Period Ended	Current Sales*	Year-Ago Sales*	% Change	Current Earnings*	Year-Ago Earnings*	% Change
Edison Bros. Stores	12/31-4th qtr. 12/31-Year	$ 305,700 1,021,500	$266,900 915,900	15 12	$21,700 48,900	$11,800 23,200	84 111
Lowe's	1/27-5 wks.	102,300	84,800	21	—	—	—
Scotty's	1/28-4 wks.	30,978	27,902	11	—	—	—

*$ in thousands

Source: Company reports

STOCK PRICES

		As of 2/18	52-week High	52-week Low	P/E Ratio
Boise Cascade (NYSE)		36⅜	47⅜	34½	19
Edison Bros. Stores (NYSE) [Handyman, Homer's]		36⅜	46¾	28⅛	10
Evans Products (NYSE) [Alamo Ent., Grossman's, Moore's, Hubbard & Johnson, Lindsley]		7	19½	6½	—
Forest City (AMEX)	A	15⅜	20⅛	9⅛	11
	B	15½	20½	13	11
W. R. Grace (NYSE) [Angels, Cashway, Channel, Handy City, Handy Dan, Orchard]		38⅞	50⅜	38½	12
Lowe's (NYSE)		17¾	32¾	17⅝	14
Michigan General (AMEX) [Diamond Lumber]		6½	14	3⅝	—
Pay 'N Pak (NYSE)		15⅜	24	14⅜	13
Payless Cashways (NYSE) [Furrow]		19⅞	34½	18⅜	15
Scotty's (NYSE)		14½	20½	14	13
Southwest Forest Industries (NYSE) [Dunlap's, Knox Lumber]		14¼	16⅞	12⅛	—
Standard Brands Paint (NYSE)		18¾	28¾	18	11

Nasdaq—over-the-counter stocks

		As of 2/18	52-week High	52-week Low	P/E Ratio
Color Tile		15¼	27⅝	13⅝	—
Hechinger	A	16¾	24¼	15	—
	B	17¼	26½	14½	—
The Home Depot		18¼	31¾	14	—
Pay 'n Save		20⅞	29¼	16¾	—

Over-the-counter stocks

	As of 2/18 Bid	As of 2/18 Asked	52-week High (Bid)	52-week Low (Bid)
Erb Lumber	22	24½	25¼	15
Hines Lumber	34½	36½	41½	18½
Home Centers of America [units]	20½	—	51½	13¼
Homecrafters Warehouse	15¼	15½	17½	14
National Lumber	9¼	9¾	13¼	8¾
Scotts Seaboard [Scott's]	3¾	4¼	⅞	5
Wolohan Lumber	5⅛	5⅜	10⅛	5⅛

Color Tile's sales up 18.6% in 2nd quarter

FORT WORTH—Color Tile's sales rose 18.6% to $68.7 million, boosting its net income increase 16.1% to $3.6 million during the company's second quarter ended Dec. 31, 1983, company officials said.

An 11% jump in sales during the first six months of the fiscal year (at stores opened for at least a year) helped spark the sales growth, they pointed out. Commercial/contractor sales have also received a boost since last summer when the chain introduced a commercial price list and product directory.

The additional business with contractors as well as promotional activity cut into the company's gross profit during the quarter; however, officials said gross profit as a per cent of sales dropped from 57.7% a year ago to 54.5% in the second quarter.

Contributing to the improved profits picture was a decline from 43.9% to 40.8% in the ratio of selling, general and administrative expenses to sales in the quarter compared to the same period a year ago. Officials attributed the drop to continued staffing efficiencies and other cost containment measures.

Home Depot's fourth quarter volume rises 173% to top $82M

ATLANTA—Home Depot's fourth quarter volume rose 173% to $82.5 million to enable fiscal 1984 sales to reach $256.1 million, company officials reported.

The yearly figure is 118% better than in fiscal 1983 when sales totaled $117.6 million.

In the periods ended Jan. 29, sales at the original eight Home Depot stores in Atlanta and south Florida increased 33%, officials said.

Scotty's board calls debenture redemption for April 1, 1984

WINTER HAVEN, Fla.—Scotty's board of directors has called for redemption on April 1 its 9¾% subordinated convertible debentures originally issued March 1, 1981.

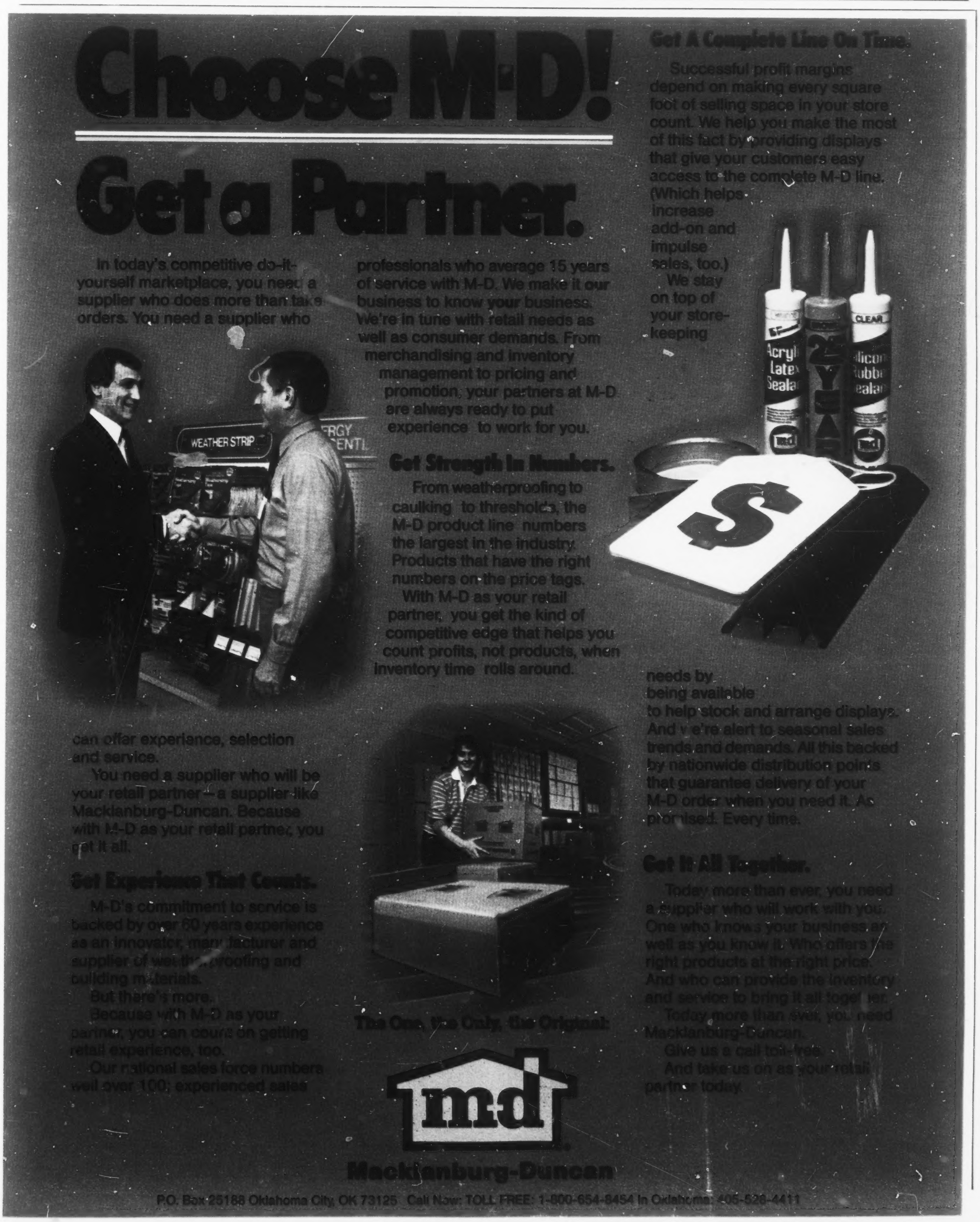
The redemption price is 107.8% of the debentures' face value plus accrued interest at the 9¾% rate to April 1. Their convertibility feature also allows holders to convert them into Scotty's common stock at a rate of $11.73 per share on or before the redemption date. As of Feb. 18, Scotty's stock was selling at 14½.

The original $15 million debenture offering, which had been noncallable for three years, helped finance a 15- to 20-store expansion program.

Palmer G. Lewis to broaden product base by proposed takeover

AUBURN, Wash.—Building materials distributor Palmer G. Lewis intends to broaden its base of product offerings through the proposed acquisition of Seattle Pacific Sales, a distributor of carpeting and resilient flooring, appliances and home-use electronic equipment.

The two companies have signed an agreement whereby Palmer G. Lewis will acquire the Seattle-based firm, subject to certain conditions, primarily in an exchange of common stock. Seattle Pacific shareholders are expected to vote on the proposal, whose terms and value were not disclosed, late next month.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Get a Partner.
In today's competitive do-it-yourself marketplace, you need a supplier who does more than take orders. You need a supplier who
professionals who average 15 years of service with M-D. We make it our business to know your business. We're in tune with retail needs as well as consumer demands. From merchandising and inventory management to pricing and promotion, your partners at M-D are always ready to put experience to work for you.
Get Strength In Numbers.
From weatherproofing to caulking to thresholds, the M-D product line numbers the largest in the industry. Products that have the right numbers on the price tags.
With M-D as your retail partner, you get the kind of competitive edge that helps you count profits, not products, when inventory time rolls around.
Get A Complete Line On Time.
Successful profit margins depend on making every square foot of selling space in your store count. We help you make the most of this fact by providing displays that give your customers easy access to the complete M-D line. (Which helps increase add-on and impulse sales, too.)
We stay on top of your store-keeping needs by being available to help stock and arrange displays. And we're alert to seasonal sales trends and demands. All this backed by nationwide distribution points that guarantee delivery of your M-D order when you need it. As promised. Every time.
WEATHER STRIP
can offer experience, selection and service.
You need a supplier who will be your retail partner—a supplier like Mecklenburg-Duncan. Because with M-D as your retail partner, you get it all.
Get Experience That Counts.
M-D's commitment to service is backed by over 60 years experience as an innovator, manufacturer and supplier of weatherproofing and building materials.
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Because with M-D as your partner, you can count on getting retail experience, too.
Our national sales force numbers well over 100; experienced sales
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Today more than ever, you need a supplier who will work with you. One who knows your business as well as you know it. Who offers the right products at the right price. And who can provide the inventory and service to bring it all together.
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